

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

ANNUAL COMPLIANCE REVIEW, 2015

Docket No. ACR2015

RESPONSES OF THE UNITED STATES POSTAL SERVICE TO
QUESTIONS 1-12, 16-18 OF CHAIRMAN'S INFORMATION REQUEST NO. 13

The United States Postal Service hereby provides its responses to the above-listed questions of Chairman's Information Request No. 13, issued on February 11, 2016. Each question is stated verbatim and followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Pricing & Product Support

Eric P. Koetting

475 L'Enfant Plaza, S.W.
Washington, D.C. 20260-1137
(202) 277-6333
February 18, 2016

**RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 13**

1. The Postal Service states the minimum precision level for the FY 2015 Delivery (Residential) and Delivery (Small/Medium Business) customer surveys is 90 percent +/- 5 percent at the district level for each quarter.¹ Please specify the number of completed FY 2015 Delivery (Residential) and Delivery (Small/Medium Business) survey responses necessary to achieve this precision level per quarter.

RESPONSE:

270 responses are required to achieve a confidence level of 90% +- 5%.

¹ United States Postal Service FY 2015 Annual Compliance Report, December 29, 2015, at 58.

**RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 13**

2. Please specify the precision level per quarter for the Large Business surveys, as well as the number of completed survey responses necessary to achieve this precision level per quarter for the developed corporate-level estimates.

RESPONSE:

The Large Business survey is conducted one time annually. The precision level is approximately 95% +-4.

**RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 13**

3. A recent United States Postal Service Office of Inspector General Audit Report states that the Postal Service's Consumer and Industry Affairs group's goal is to have 270 Point of Sale (POS) surveys completed within each district for each quarter to establish a statistical confidence level.²
- a. Please specify the referenced statistical confidence level.
 - b. In FY 2015, did customers complete at least 270 POS surveys within each district for each quarter? If not, please specify how many districts had fewer than 270 POS surveys completed for each quarter of FY 2015. For those districts that did not meet this target, please explain the reasons and the Postal Service's plan and schedule to increase customer participation in the POS survey.

RESPONSE:

- a. The statistical confidence level for 270 responses is 90% -
+5%
- b. Yes, a minimum of 270 responses were received for each
District quarterly.

² United States Postal Service Office of Inspector General, *Window Retail Customer Service*, Audit Report No. MS-AR-15-001, January 29, 2015, at 19.

**RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 13**

4. In Docket No. ACR2014, the Postal Service states that FY 2015 targets for the Business Service Network (BSN), POS, Delivery, Customer Care Center (CCC), and composite Customer Insights performance indicators were “determined by applying the revised National Performance Assessment [NPA] scale.”³ The NPA worksheet shows that results for the POS and Delivery performance indicators are developed at the corporate-level, area-level, and district-level.⁴ The BSN performance indicator result is developed at the corporate-level and area-level, and the CCC performance indicator result is developed at the corporate-level. *Id.*
- a. For FY 2015 and FY 2016, are the *composite* Customer Insights targets for the postal areas and districts the same as the corporate-wide target? If not, please explain how they differ.
 - b. Please provide FY 2015 targets and results by corporate-level, area-level, and district-level for the BSN, POS, Delivery, and CCC performance indicators. If the Postal Service did not set FY 2015 targets tied to employee compensation for these levels, please explain why not.
 - c. Please provide FY 2016 targets by corporate-level, area-level, and district-level for the BSN, POS, Delivery, and CCC performance indicators. If the Postal Service did not set FY 2016 targets tied to employee compensation for these levels, please explain why not.

RESPONSE:

- a. Yes, the Corporate Customer Insights target value is the same at the Area and District levels.
- b. For FY2015, the Customer Insights Composite target was set to NPA Cell 6 (86.7). See table 1.1 & 1.2 for National, Area and District data. The Customer Insights Composite is a weighted corporate level indicator which is tied to

³ Docket No. ACR2014, United States Postal Service Responses to Questions 1-5, 8 and 9 of Chairman's Information Request No. 5, February 10, 2015, question 2f.

⁴ Docket No. ACR2014, United States Postal Service Responses to Questions 6,7,9,10,20-25, 29, 30, 34, and 35 of Chairman's Information Request No. 13, March 13, 2015, question 34, (Docket No. ACR2014, Responses to CHIR No. 13); PDF file “ChIR13.34.FY15_CI_NPA.pdf,” at 2.

**RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 13**

employee compensation. Not all of the individual components of the Customer Insights Composite are applicable to each hierarchy level of the organization (Area, District, Facility); therefore, it is not possible to tie each component individually to employee compensation.

- c. For FY2016, the Customer Insights Composite target continues to be set at NPA Cell 6 (86.7). The individual components will continue to share the same target as the overall composite score. Employee compensation will continue to be measured using the composite score due to the reason provided in response (b). The employee compensation model (NPA) has been modified to not only include the Customer Insights Composite score as a part of the Corporate Indicator but also as a weighted component of the Unit Indicator.

RESPONSES OF THE UNITED STATES POSTAL SERVICE TO CHAIRMAN'S INFORMATION REQUEST NO. 13

Table 1.1

Data Represents EOY FY15. Corporate NPA Target is Cell 6 (86.7)

Level: National & Area

	BSN Top 2 Box %	POS Top 2 Box %	Delivery Top 2 Box %	CCC	NPA	NPA Cell	Rank
- National	94.32	86.28	77.49	76.22	85.73	5	-
+ GREAT LAKES	94.15	88.09	79.36	-	87.9	6	1
+ EASTERN	93.58	88.44	78.72	-	87.58	6	2
+ CAPITAL METRO	95.76	86.25	77.45	-	87.42	6	3
+ SOUTHERN	94.78	85.17	76.85	-	86.52	5	4
+ PACIFIC	94.78	86.07	74.97	-	86.22	5	5
+ WESTERN	93.74	83.69	78.5	-	86.16	5	6
+ NORTHEAST	93.35	85.17	75.63	-	85.58	5	7

Table 1.2

Data Represents EOY FY15. Corporate NPA Target is Cell 6 (86.7)

Level: District

Districts	POS Top 2 Box %	Delivery Top 2 Box %	NPA	NPA Cell	Rank
GREATER MICHIGAN	91.70	84.49	88.10	6	1
ALBANY	89.70	82.87	86.29	5	2
HONOLULU	89.85	82.61	86.24	5	3
MISSISSIPPI	88.69	83.40	86.05	5	4
LAKELAND	88.62	82.91	85.77	5	5
NORTHERN NEW ENGLAND	90.85	80.48	85.67	5	6
GATEWAY	91.07	80.10	85.59	5	7
WESTERN NEW YORK	91.14	79.58	85.36	5	8
CENTRAL PENNSYLVANIA	90.52	79.91	85.22	5	9
GREATER INDIANA	89.68	80.57	85.13	5	10
MID-CAROLINAS	88.43	81.71	85.08	5	11
ALABAMA	88.06	81.58	84.82	5	12
DAKOTAS	89.73	79.43	84.59	5	13
HAWKEYE	86.24	82.92	84.58	5	14
LONG ISLAND	90.03	78.83	84.44	5	15
KENTUCKIANA	89.84	78.98	84.41	5	16
CONNECTICUT VALLEY	87.51	81.07	84.30	5	17
SOUTH JERSEY	89.81	78.76	84.29	5	18
WESTERN PENNSYLVANIA	88.94	79.47	84.21	5	19
ARKANSAS	88.49	79.88	84.19	5	20
SALT LAKE CITY	86.58	81.65	84.12	5	21
DETROIT	87.66	80.54	84.10	5	22
APPALACHIAN	88.92	78.97	83.95	4	23
LOUISIANA	86.73	81.05	83.90	4	24
GREATER BOSTON	85.95	81.81	83.89	4	25
CENTRAL ILLINOIS	87.34	80.41	83.88	4	26
TENNESSEE	87.26	80.35	83.81	4	27
CENTRAL PLAINS	88.13	79.08	83.61	4	28
GREENSBORO	87.48	79.39	83.44	4	29
CARIBBEAN	86.09	79.87	82.99	4	30
NORTHLAND	83.17	82.77	82.98	4	31
BALTIMORE	87.16	78.30	82.73	4	32
SAN DIEGO	88.17	76.97	82.58	4	33

RESPONSES OF THE UNITED STATES POSTAL SERVICE TO CHAIRMAN'S INFORMATION REQUEST NO. 13

SUNCOAST	86.21	78.90	82.56	4	34
GULF ATLANTIC	84.89	80.05	82.48	4	35
GREATER S CAROLINA	86.46	78.49	82.48	4	36
OKLAHOMA	86.46	78.35	82.41	4	37
ARIZONA	84.11	79.40	81.76	3	38
PHILADELPHIA METROPO	88.20	75.28	81.74	3	39
NORTHERN VIRGINIA	86.47	76.88	81.68	3	40
MID-AMERICA	85.98	77.34	81.66	3	41
OHIO VALLEY	86.11	77.11	81.62	3	42
NORTHERN OHIO	84.73	78.44	81.59	3	43
SAN FRANCISCO	88.32	74.34	81.33	3	44
PORTLAND	84.09	78.50	81.30	3	45
SACRAMENTO	84.75	77.01	80.89	3	46
ATLANTA	84.11	77.61	80.87	3	47
SIERRA COASTAL	86.19	75.37	80.79	3	48
RICHMOND	86.61	74.08	80.35	3	49
RIO GRANDE	85.59	74.11	79.86	3	50
FT WORTH	85.48	74.13	79.81	3	51
SANTA ANA	87.00	72.17	79.59	3	52
CAPITAL	84.64	73.65	79.15	3	53
WESTCHESTER	85.61	72.49	79.06	3	54
BAY-VALLEY	81.69	75.20	78.45	2	55
SEATTLE	81.00	75.43	78.22	2	56
SOUTH FLORIDA	79.93	76.43	78.19	2	57
DALLAS	84.77	70.82	77.80	2	58
ALASKA	78.15	76.45	77.31	2	59
NEVADA SIERRA	78.52	74.49	76.51	2	60
NORTHERN NEW JERSEY	83.12	66.72	74.92	1	61
COLORADO/WYOMING	76.48	72.24	74.36	1	62
LOS ANGELES	82.69	61.21	71.96	0	63
HOUSTON	79.75	62.54	71.15	0	64
NEW YORK	78.33	57.83	68.09	0	65
TRIBORO	76.18	59.37	67.78	0	66
CHICAGO	72.44	59.43	65.94	0	67

**RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 13**

5. The following questions refer to BSN service requests.
- a. How many BSN service requests did the Postal Service receive in FY 2015?
 - b. What was the BSN average resolution time for FY 2015 BSN service requests?

RESPONSE:

- a. The BSN received 158,885 service requests in FY 2015.
- b. The average resolution time for FY 2015 BSN service requests is 3.4 Days.

**RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 13**

6. The following questions refer to the POS survey.
- a. In FY 2015, how many postal-managed retail facilities (*i.e.*, post offices, stations and branches, and carrier annexes) participated in or administered the POS survey?
 - b. How many of the postal-managed retail facilities identified in response to question 6.a. had zero percent customer participation?

RESPONSE:

- a. In FY2015 approximately 17,762 POS Retail locations participated in or administered the POS survey.
- b. Approximately 109 POS Retail locations had zero percent customer participation.

**RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 13**

7. The following questions refer to the Postal Service's CCC calls.
- a. How many CCC calls did the Postal Service receive in FY 2015?
 - b. How many of the FY 2015 CCC calls involved speaking to a live agent?

RESPONSE:

- a. In FY 2015, the Postal Service received 53.4 million network calls which came through the Customer Care Center Interactive Voice Response System (IVR).
- b. Live Agents answered 12 million calls in FY 2015.

**RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 13**

8. The Postal Service states it is "continuously working to improve [its] standardized complaint handling and resolution process" FY 2015 Annual Report at 36. Please provide the number of complaints received in FY 2015.

RESPONSE:

The Postal Service received approximately 4,820,107 complaints in FY 2015.

**RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 13**

9. In Docket No. ACR2013, the Postal Service states it is “developing systems and processes to measure [customer] satisfaction of [problem] resolution with a target of 90 percent and to reduce repeat customer complaints by 50 percent by 2017.”⁵
- a. Please explain how the Postal Service measured FY 2015 results for customer satisfaction of problem resolution and reductions in repeat customer complaints.
 - b. Please provide FY 2015 results for:
 - i. Customer satisfaction of problem resolution; and
 - ii. Reductions in repeat customer complaints.If results are not provided, please explain why.
 - c. Please discuss the Postal Service's progress, as well as any plans and schedules it has developed to meet its 2017 targets for customer satisfaction of problem resolution and reduction of repeat customer complaints.

RESPONSE:

- a. Customer satisfaction of problem resolution is measured by an external organization, by surveying customers who have had a recent complaint closed by a Postal Service representative. The satisfaction score is determined by three specific questions regarding the experience
 - 1. What is your overall satisfaction with this service experience?
 - 2. How well did your service experience meet your expectations?
 - 3. How well did this service experience compare to your idea of an ideal experience?

The three questions are then indexed to create the satisfaction score.

⁵ Docket No. ACR2013, Responses of the United States Postal Service to Questions 1-8 of Chairman's Information Request No. 12, March 14, 2014, questions 6(a-b).

**RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 13**

- b. i. For FY2015, the Postal Service received a customer satisfaction index score of 33.
- ii. Reduction in repeat customer cases has substantially declined from 228,015 in FY2013 to 127,426 in FY2015.

YEAR	Duplicate Case Count
2013	228015
2014	131249
2015	127426

**RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 13**

- c. In order to improve customer satisfaction with complaint handling and further reduce duplicate complaints, the Postal Service has implemented a Strategic Training Initiative. This is annual mandatory training for all Customer Service Supervisors, Managers and Postmasters who are responsible for responding to customer complaints. Training includes an overview of requirements, as well as soft skills to employ when dealing with customers.

**RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 13**

10. The Postal Service measures retail performance through the Retail Customer Experience (RCE) program and the POS surveys. FY 2015 Annual Report at 32. The Postal Service states that it conducted the RCE program at over 8,000 "large retail outlets." *Id.* It also states that approximately 17,504 retail locations participated in or administered the POS Survey in Fiscal Year 2014.⁶ The total number of postal-managed retail facilities in FY 2015 is 31,606. FY 2015 Annual Report at 26.
- a. How many retail locations participated in or administered the POS survey in FY 2015?
 - b. Please specify the number of postal-managed retail facilities in FY 2015 that did not participate in either the RCE program or the POS survey.
 - c. Please explain how postal-managed retail facilities that do not participate in either the RCE program or the POS survey measure customer satisfaction with retail experience. If customer satisfaction is not measured, please explain why not.
 - d. Please explain how the Postal Service determines which retail facilities participate in the RCE program and which retail facilities participate in the POS survey.

RESPONSE:

- a. In FY2015 approximately 17,762 POS Retail locations participated in or administered the POS survey.
- b. In FY 2015, approximately 13,957 Retail locations did not participate in either POS Survey or RCE program.
- c. For the approximately 13,957 retail locations that did not participate in the POS Survey or RCE program, the eCC system can be used

⁶ Docket No. ACR2014, Responses to CHIR No. 13, question 9.a.

**RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 13**

to monitor customer comments and issues that are reported to the
Call Center from all locations.

d. To be an RCE location, a Post Office has to be:

- A Level-20 or higher office.
- Generate \$500K or more in walk-in revenue, annually.

All retail locations that utilize the Point of Sale (POS) system
participate in the POS survey. The survey invitation is printed on all
POS transaction receipts.

**RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 13**

11. The Postal Service states “[o]ne key measure of a customer’s retail experience is the time spent waiting in line” and that the service standard is 5 minutes or less. FY 2015 Report at 32.
- a. Please provide the FY 2015 RCE program wait time in line result for customers whose wait time was 5 minutes or less.
 - b. Please compare the FY 2015 RCE program wait time in line result with the FY 2015 POS survey wait time in line result. Include in your response reasons for any differences in results.
 - c. Are the FY 2015 RCE program and POS survey measures comparable? If not, please explain why not.

RESPONSE:

- a. FY 2015 Wait Time in Line score for RCE was 87.45 percent waiting 5 minutes or less.
- b. RCE wait time in line result for FY 2015 was 87.45 percent. The FY 2015 POS survey wait time in line result for respondents reporting that they waited 5 minutes or less was 81.08 percent. The differences in results would be due to the RCE shoppers using a stop watch to calculate the exact wait time from the time they entered the line to the time they are called to the counter. The POS survey asks customers to report how much time they waited, but it is perception based.
- c. RCE and POS Survey wait time measures are different in that RCE uses precise measurements timed by professional shoppers from the time they entered the line until the time they

**RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 13**

were called to the counter. POS survey asks a customer if they waited 5 minutes or less, but this is usually not specifically timed by the customer and is perceptual.

**RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 13**

- 12.** The Postal Service states it completed "1,578 upgrades for the Premier Post Office program." FY 2015 Annual Report at 52.
- a. Please describe the upgrades for the Premier Post Office program.
 - b. What criteria do the Postal Service use to determine which facilities are chosen for the Premier Post Office program?

RESPONSE:

- a. The upgrades were performed predominately in customer-facing areas and included patching holes in walls, refreshing the paint in the inner/outer lobbies, repairing sidewalks, windows, entry doors, lobby writing desks and parcel slides, carpeting and/or tile floor repairs.
- b. Premier Offices were determined based on the following criteria:
 - Post Offices that generate over \$1.5 million in Post Office revenue (Tier 1)
 - Post Offices that generate over \$1 million in Post Office revenue (Tier 2) with minimum staff of 2.5 clerks and growth rate greater than -6%
 - Post Offices that generate under \$1 million in Post Office revenue (Tier 3) to ensure geographic coverage in all population areas that served greater than 10K

**RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 13**

- 16.** In Docket No. ACR2014, the Postal Service stated that “at-risk” employees are those with less than 2 years of on-the-job experience.⁸
- a. As of September 30, 2015, how many employees had less than 2 years of on-the-job experience?
 - b. Please specify the type of positions that have the highest percentages of employees with less than 2 years of on-the-job experience.

RESPONSE:

a. As of September 30, 2015, the Postal Service employed 143,066 employees with less than two years of on-the-job experience.

b. The table below represents employee groups, or positions, that have the highest percentages (expressed as market share) of employees with less than two years of on-the-job experience. As the data demonstrates, the positions with the highest percentages of employees with less than two years of on-the-job-experience are carriers, rural employees, and clerks.

EMPLOYEE GROUP	CAREER	NON-CAREER	TOTAL	MKT SHARE
CARRIER	10,370	47,819	58,190	40.7%
RURAL	204	35,802	36,006	25.2%
CLERK	7,936	25,275	33,211	23.2%
MAIL HANDLER	1,287	6,505	7,792	5.4%
MAINTENANCE	925	3,127	4,052	2.8%
MANAGEMENT	407	1,879	2,286	1.6%
PVS	524	974	1,497	1.0%
NURSE	27	-	27	0.0%
VMF	5	-	5	0.0%
TOTAL	21,685	121,381	143,066	

⁸ Docket No. ACR2014, Responses to CHIR No. 13, question 7.

**RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 13**

- 17.** Please refer to the corporate-level targets for the FY 2015 and FY 2016 Occupational Safety and Health Administration Injury and illness rates (OSHA I&I rates). FY 2015 Annual Report at 14. Are the FY 2015 and FY 2016 area-level and district-level OSHA I&I Rate targets the same as the corporate-level targets? If not, please provide area-level and district-level OSHA I&I Rate targets for FY 2015 and FY 2016 and explain how the area-level and district-level targets are set relative to the corporate-level target.

RESPONSE:

Yes, the targets at the Area and District Level are the same as corporate-level targets. The only differences would be in the weight the performance is given.

**RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 13**

- 18.** Please refer to the corporate-level targets for the FY 2015 and FY 2016 Deliveries per Work Hour (DPWH). *Id.* Are the FY 2015 and FY 2016 area-level and district-level DPWH targets the same as the corporate-level targets? If not, please provide area-level and district-level DPWH targets for FY 2015 and FY 2016 and explain how the area-level and district-level targets are set relative to the corporate-level target. In the explanation, please provide a worksheet showing how postal areas and districts develop their DPWH targets.

RESPONSE:

Yes, the FY 2015 and FY 2016 area-level and district-level DPWH targets are the same as the corporate-level targets.